

Message Text

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ACTION EB-08

INFO OCT-01 AF-08 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 /039 W
-----281509Z 088337 /47

P R 281350Z JAN 77
FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC PRIORITY 5682
INFO AMEMBASSY DAR ES SALAAM
AMEMBASSY LONDON
AMEMBASSY VICTORIA

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E.O. 11652: N/A
TAGS: EAIR, KE, TZ
SUBJECT: EAST AFRICAN AIRWAYS

REF: NAIROBI 1109

1. EAST AFRICAN AIRWAYS SOURCES REPORT THAT MOST OF FLEET
NOW GROUNDED AT NAIROBI AIRPORT. TWO LONG-RANGE AIRCRAFT,
B-747 LEASED FROM AER LINGUS AND VC-10 OWNED BY EAA, WILL
BE ARRIVING TODAY. EXPECTATION IS THAT, WITH AIRPLANES ON

KENYAN TERRITORY, GOK WILL DELIVER COUP DE GRACE TO REGIONAL
OPERATIONS AND ANNOUNCE ESTABLISHMENT OF DOMESTIC ENTERPRISE.

2. EAA'S FINANCIAL SITUATION HAS SHOWN NO IMPROVEMENT OVER
LAST FEW DAYS. PART OF LATEST 8 MILLION SHILLING TANZANIAN
TRANSFER WAS REPORTEDLY RETAINED BY KENYAN CENTRAL BANK
TO PAY OVERDUE NATIONAL SOCIAL SECURITY FUND CONTRIBUTIONS
AND INCOME TAX ASSESSMENTS. WITH REMAINING 2 MILLION SHILLINGS,
EAA MAY BE ABLE TO PAY JANUARY SALARIES; HOWEVER HEADQUARTERS
STAFF NORMALLY PAID JAN 27 AND 28 HAVE NOT RECEIVED
ANY COMPENSATION YET. EXPATRIATE PERSONNEL,

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ON THE OTHER
HAND, HAVE BEEN PAID. GOK NOW INSISTS THAT EAA PAY KENYAN
LANDING FEES IN ADVANCE, WHEREAS FOREIGN CARRIERS TRANSITING
NAIROBI ARE NORMALLY BILLED AFTERWARDS. EAA HAD BEEN
MEETING FEES ON INSTALLMENT PLAN.

3. MOBIL OIL REP IN NAIROBI INFORMED ECON COUNSELOR

JAN 27 THAT HIS COMPANY HAS SHUT OFF SUPPLIES TO EAA.
PRESS STATES THAT OTHER SUPPLIER, SHELL OIL, IS CARRYING
SUBSTANTIAL EAA DEBTS AND BALKED AT REFUELING AIRCRAFT IN
EUROPE AND INDIA FOR RETURN TO EAST AFRICA.

4. LONG-STANDING ASSUMPTION THAT GOK PLANS TO GO IT ALONE WITH
NATIONAL AIRLINES HAS RECEIVED FURTHER CORROBORATION.
NAIROBI ATTORNEY INFORMED ECON COUNSELOR THAT KENYA AIRWAYS
CORPORATION ALREADY FORMED, WITH THREE KENYAN MEMBERS OF
EAA BOARD OF DIRECTORS AS PRINCIPALS (BRUCE MCKENZIE,
G. N. GICHUKI, AND RICHARD DOUGLAS). PERMSECS OF POWER AND
COMMUNICATIONS, FINANCE AND PLANNING MINISTRIES PROBABLY
ALSO APPOINTED TO NEW AIRLINE MANAGEMENT. FROM OTHER
SOURCES, EMB LEARNED THAT KENYA AIRWAYS HAS EXISTED IN
NAME FOR LAST SIX MONTHS, WHILE GOK AWAITED PROPITIOUS MOMENT
TO UNVEIL THIS NEW CORPORATION. BRITISH AIRWAYS WILL
ALLEGEDLY GIVE INITIAL ADMINISTRATIVE AND OPERATIONAL SUPPORT

TO KAC.

5. NEXT STEP FOR GOK, ACCORDING TO ATTORNEY, IS TO PUT
EAA INTO RECEIVERSHIP ON PETITION BY NATIONAL BANK OF
KENYA. NAIROBI PRESS HAVE SUGGESTED THIS POSSIBILITY
OVER LAST WEEK, BASED ON EAA'S UNREDUCED OVERDRAFTS.

6. WHOLE EAA SITUATION IS STILL SO MURKY AND SUBJECT TO
SPECULATION AND RUMOR THAT LONG-RANGE FORECAST DIFFICULT.
HOWEVER, IF KENYA AIRWAYS STORY PROVES CORRECT, KENYA
APPEARS READY TO RESUME AIR SERVICE, ALBEIT ON LIMITED
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BASIS, AS SOON AS EAA OFFICIALLY DEFUNCT. INTERRUPTION
IN PASSENGER AND CARGO FACILITIES MAY THEREFORE PROVE BRIEF.

DECON 1/28/78.
MARSHALL

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRCRAFT, ESTABLISHMENT OF OFFICES
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NAIROB01198
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770031-0716
Format: TEL
From: NAIROBI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977018/aaaaahax.tel
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Litigation Codes:
Litigation History:
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Message ID: eaf35cdd-c288-dd11-92da-001cc4696bcc
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Secure: OPEN
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